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ARGENTINA

BY JOSEPH WHELESS,

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A recent editorial in *La Prensa*, the great daily of Buenos Aires, summed up the situation as it exists not only in Argentina but in all the continent, saying: "Immigration and capital are the keys which will open the doors of the great treasure which is in South America." The reasons behind this aphorism will be exposed in brief paragraphs.

Population. The Argentine is as large as the United States east of the Mississippi, plus the first tier of states on the west, its area being 1,153,419 square miles. The population, according to the new census of 1914, is 7,885,237. The "density of population" is thus seen to be very attenuated, about 6.8 for the whole country. But of the total population quite one-fifth is concentrated in the single city of Buenos Aires, while maybe as many again inhabit other of the larger cities of the republic; thus materially reducing the average of rural density. These data synthesize the economic situation of Argentina: millions of acres of vacant and cultivable lands, with millions too few of people to occupy and develop the land. Hence, one of the first needs of Argentina is capital to be used in attracting immigration, inducing an increase of population to cultivate and make productive the extensive areas of land now lying idle and barren because of the dearth of hands to till it. The requirements and the opportunities in this field of investment are unlimited.

Government revenues. The governments, national and provincial, are in constant need of borrowed capital to meet the deficiencies of their own revenue. Referring to the national government alone, *La Nación*, a foremost journal of Buenos Aires, in a study of national finance on August 15, 1915, made this remarkable summary:

A complete statement of all the national revenues from every source, and of all the expenditures of every kind by the government, between 1864 and 1913, shows the enormous deficit of \$757,657,127 gold. There is not a single budget since the beginning of the national government, which has closed with a surplus; and it can be stated as a rule that the government has always spent twenty per cent more than the product of its revenues.

These constant deficits have always been met by new loans and by a continued increase in the scope and rate of taxation. Argentine foreign loans have mostly been floated in England, with a couple of

recent experiments in the United States. The national public debt on January 1, 1915, amounted to \$545,023,470.14, gold, of which amount the foreign debt was \$312,423,556.54. The figures of the provincial and municipal debts are not at hand, but they are relatively large. Argentina has not defaulted in the service of its public debt for many years, and met it faithfully during the crisis precipitated by the European war. The estimated national revenues in the 1916 budget were approximately \$300,000,000, paper pesos, equal to about \$126,000,000 United States gold.

Railroad development. The railroads are another great consumer of capital, with ever increasing needs as the system is developed and extended, a process which the comparatively level surface of the country, and its constant development, render both necessary and comparatively easy. The present mileage of the republic is about 35,000 kilometers or 21,700 miles, representing a capital of some \$1,210,475,331 gold pesos. Several of these lines are owned by the government, but the greater part represents foreign, and mostly English, capital. Investments in railroads in the Argentine are considered safe and sure of good returns.

Shipping and foreign markets. Besides internal communications, as represented by the railroads, Argentina is endowed by nature with an incomparable network of "flowing roads" (*los caminos que caminan*) in the happy phrase of President Sarmiento. Great works have been and are being carried out by the national and provincial governments for the improvement of their rivers and harbors, the creation of great ports, both fluvial and maritime, the building of canals, and the development of the great foreign commerce of the nation. Argentina is wholly dependent upon Europe and America for the market for the sale of its products and for the purchase of its manufactured supplies of every kind. The country produces only "bread and meat," the products of its broad farms and cattle-ranges; it must purchase and import nearly all the other necessities of life. Therefore, it needs great capital to develop its every means of communication, from the inland to the seaboard, and from the seaboard to the markets of the world. Adequate shipping facilities are acutely needed, and greatly increased banking capital is required, to handle its exports and imports and to develop its commerce abroad as well as at home. In all these activities there is great and growing need for foreign capital.

Industries. As indicated, Argentina has but small and wholly insufficient industries other than those connected with agriculture and meat products. General manufactures are almost entirely wanting. One of the prime needs of the Argentine for capital, as expressed by its delegation to the Pan-American Financial Conference at Washington, is for the attracting to the country of foreign manufacturers, and the establishment of plants for the manufacture

of all classes of manufactured necessities, as well as for the development of such as now exist in the country. As part of the industrial development of the country, will be the need for a great extension of the telegraph and telephone systems, requiring heavy investments of capital.

In a word, the Argentine is an almost virgin field for the employment of capital, and great are the rewards awaiting American enterprise and industry in helping Argentina to realize her destiny as the foremost of South American States.

BOLIVIA

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It is difficult to outline Bolivia's needs for capital for the next ten years, since its economic condition is so dependent upon the success of the mining industry which constitutes the whole life of the country. Mines may be developed that will bring the country unforeseen wealth and prosperity and will make possible a more ambitious program of development than at present possible. Assuming, however, that its development will simply continue its normal course of former years, its needs may be grouped as follows:

Railroads. The program of the government includes the completion of one road now under construction and the building of three new lines: (1) Oruro-Cochabamba road, tapping a rich agricultural country, almost finished and lacking only 28 miles. The Bolivia Railroad is building this line, but the work is now at a standstill. They estimate that approximately \$1,000,000 is needed to complete it. (2) La Paz-Yungas line, which is to extend from the country's capital (altitude, 12,500 feet) down into the tropical region (several thousand feet lower). The government is trying to secure a loan of \$2,500,000 to go ahead with its construction, though a much larger amount will doubtless ultimately be needed, since 100 miles must be built to reach important country and the construction is most difficult. (3) Potosi-Sucre road, 110 miles long, to give a railroad outlet to Sucre, the former capital of Bolivia and a city of 40,000 people. A loan of \$10,000,000 is sought for this road. (4) Atocha-Tupiza road. It will be a short stretch of 60 miles. When built it will connect with the Tupiza-Quiaca line, now under construction, and will thus link the Argentine railroad system with Bolivia's, giving through connections between La Paz and Buenos Aires in a trip of five days. It will be most difficult construction. As it is now under concession to the Bolivia Railroad